

TOWN OF PALM BEACH

Information for Town Council Meeting on June 13, 2023

To: Mayor and Town Council

Via: Kirk W. Blouin, Town Manager

From: Carolyn S. Stone, Deputy Town Manager – Business Enterprise and Culture

Re: Phipps Ocean Park Budget Estimate Update

Date: May 31, 2023

STAFF RECOMMENDATION

Staff recommends Town Council review the attached letter from Amanda Skier, Preservation Foundation of Palm Beach President and CEO, regarding the budget estimate update for Phipps Ocean Park.

GENERAL INFORMATION

The Preservation Foundation of Palm Beach has been working with its design team and staff to value engineer the renovation plans for Phipps Ocean Park. The original cost estimate for the park provided by Raymond Jungles, Inc. in 2021 was approximately \$20 million, which influenced the Preservation Foundation's decision to set their fundraising goal at \$30 million (which included paying for all design and construction costs and establishing a \$5 million endowment). Burkhardt's cost estimate at the 50% design mark was \$42.1 million. As a result, the Preservation Foundation has embarked on a value engineering process to reduce the overall project cost.

Through this effort, the estimate from Burkhardt is now at \$30 million for construction costs (at 60% design). The Foundation estimates design and other non-construction costs (soft costs) at approximately \$3 million. To date, the Preservation Foundation has raised \$28 million (\$23 million for construction costs and \$5 million for endowment), leaving a funding gap of approximately \$7 million for construction costs.

FUNDING/FISCAL IMPACT

In addition to the construction costs as outlined above, staff estimates that between projected personnel and maintenance costs, the Town can expect to spend approximately \$660,000 per year on the park. Increased parking revenues are anticipated and can help offset these new costs. Net new projected expenses for the Town (factoring in the additional parking revenue) are estimated at **\$378,000** annually. An invasive plant removal budget of \$229,000 was approved at the September 2022 Town Council meeting. To date, \$98,000 has been spent.

In addition to construction costs, the Preservation Foundation anticipates spending \$680,000 in personnel and maintenance costs for the park each year. The Foundation anticipates a grant award from the State of Florida for the relocation of the Little Red Schoolhouse for \$442,195.

In light of the new cost estimates, The Preservation Foundation of Palm Beach requests that the Town Council consider contributing to infrastructure-related improvements such as parking lot lighting, security cameras, perimeter walls, lift station and dumpster screening, restrooms, irrigation, and entry gates/walls. Once a Guaranteed Maximum Price is received from Burkhardt Construction (likely in late August), the Foundation will return to Town Council to formally request a financial commitment for the park construction.

cc: Robert Miracle, Deputy Town Manager for Finance and Administration
H. Paul Brazil, Director of Public Works
Mike Roach, Project Engineer
Mark Bresnahan, Recreation Director
Darrell Donatto, Fire-Rescue Chief
Nicholas Caristo, Police Department Chief
Wayne Bergman, Planning, Zoning, and Building Director
Dean Mealy, Procurement and Contract Manager
Amanda Skier, Executive Director and CEO of the Preservation Foundation of Palm Beach